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TAGS: PREL MARR PGOV ASEC CASC FJ

SUBJECT: FIJI UPDATE 11/14: "GUILTY" IN CORRUPTION CASE;
RFMF OVER-SPENDING; TROUBLES IN FLP

REF: SUVA 489

Classified By: Amb. Dinger. Sec. 1.4 (B,D).

Former Agriculture CEO "guilty" in corruption case

¶11. (C) Peniasi Kunatuba, who was CEO of the Agriculture Ministry during part of the Qarase interim administration in 2000-2001, was found guilty on corruption charges on Nov. 14 in Justice Nazhat Shameem's Suva court. PM Qarase and several of his current and former Ministers were called to testify in the case that alleged that Kunatuba had the Agriculture Ministry distribute farm tools, and perhaps cash, with no legal authorization in an attempt to mollify frustrated ethnic-Fijian villagers after the coup of 2000 and in the lead-up to 2001 elections. Qarase denied knowledge of any wrongdoing in his testimony. Some speculate that this successful case opens the opportunity for prosecutors to cast a wider net.

Auditor General reveals embarrassing RFMF laundry

¶12. (U) Thus far on Tuesday, Nov. 14, Republic of Fiji Military Forces (RFMF) leaders and spokesmen have been publicly quiet. Newspaper headlines trumpet a Fiji Auditor General's finding that the RFMF overspent its 2005 budget by over 19%: F\$80.4 million instead of a budgeted F\$67.1 million. Most of the overage was attributed to higher personnel costs due to the outcomes of job-evaluation, ration-allowance, and COLA exercises. The Auditor General noted, though, that it appears the Army paid for rugby-team expenses and a "truth and justice" campaign against the Qarase government from an account that was to be utilized only for assisting in the installation of telephone satellite stations in rural areas. The Fiji Police also overspent on personnel costs, but by a much smaller figure, around F\$2 million.

Qarase has offered FLP's Chaudhry DPM

¶13. (U) Fiji Labor Party leader Chaudhry admitted today that PM Qarase has offered him the opportunity to be Deputy PM. Chaudhry said he has yet to make up his mind, though he said his opposition to a VAT increase proposed for the 2007 budget would make accepting a government role difficult, at least until policy differences are sorted out.

FLP Cabinet Ministers squirming

¶14. (U) Meanwhile, FLP Labor Minister Krishna Datt has indicated he is likely to support the Qarase budget. That would solidify Chaudhry's ongoing effort to expel Datt from the party, which would, eventually, trigger a by-election. Note, though, that Qarase has suggested he could retain FLP

Ministers in his Cabinet throughout the course of any legal challenges to such FLP expulsion, a process that could take years. Several other FLP ministers have indicated they are likely to oppose the budget, which Qarase has warned will cause their immediate removal from Cabinet. We understand Energy Minister Vayeshnoi is preparing a media statement very critical of Qarase.

Comment

¶5. (C) A rumor is circulating in Suva that a few of Qarase's SDL parliamentarians have been convinced to bolt the PM when the budget vote takes place later this month. One name mentioned is Ratu Naiqama Lalabalavu, a former RFMF officer but also one of those convicted for coup-related crimes in ¶2000. He is a paramount chief and currently Fijian Affairs Minister, one of those seen as most in favor of the "controversial bills" now before Parliament, and allegedly one of those most despised by Bainimarama. If indeed a few SDL members were to rebel, and if nearly all the FLP Cabinet Ministers were to stick with their party, the budget could be voted down. That would trigger a "no confidence" motion that could generate a new election, as happened in 1994. RFMF Commander Bainimarama and FLP leader Chaudhry would be very pleased by that scenario. What is not at all obvious is the advantage SDL "rebels" might see in it. But as Bainimarama is fond of observing: Fiji politics is a very nasty, cut-throat business with constantly shifting alliances. One never knows.

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